

Housing Choice Voucher Program

CY 2016 Administrative Fee Rates

The file following this narrative provides the calendar year (CY) 2016 administrative fee rates for the Housing Choice Voucher (HCV) Program. For CY 2016, administrative fees will be paid on the basis of units leased as of the first day of each month. This data will be extracted from the Voucher Management System (VMS) at the close of each reporting cycle.

Two fee rates are provided for each public housing authority (PHA). The first rate, Column A, applies to the first 7200 unit months leased in CY 2016. The second rate, Column B, applies to all remaining unit months leased in CY 2016. In years prior to 2010, a Column C rate was also provided, which applied to all unit months leased in units owned by the PHA. For CY 2016 there are no Column C administrative fee rates. Fees for leasing PHA-owned units will be earned in the same manner and at the same Column A and Column B rates as for all other leasing.

In some cases, the fee rates calculated for CY 2016 resulted in rates lower than those provided for CY 2015. In those cases, the affected PHAs will continue to receive the CY 2015 rates.

The fee rates for each PHA are generally those rates covering the areas in which each PHA has the greatest proportion of its participants, based on Public Housing Information Center (PIC) data. In some cases, PHAs have participants in more than one fee area. The PHA may request that the Department establish a blended fee rate schedule that will consider proportionately all areas in which participants are located. Once a blended rate schedule is calculated, it will be used to determine the PHA's fee eligibility for all months of CY 2016. A PHA that received a blended fee rate for 2015 will not receive it automatically for 2016. Requests for blended fee rates must be submitted to the Financial Management Division at HUD Headquarters as detailed in the 2016 HCV Funding Implementation Notice and be received by April 15, 2016. No documentation is required and none will be reviewed; the calculations will be based on PIC data alone.

A PHA that operates over a large geographic area, defined as multiple counties, may request higher administrative fees. To request higher fees, the PHAs must submit specific financial documentation to the PHA's assigned Financial Analyst at the Financial Management Center (FMC), as detailed in the 2016 HCV funding implementation notice. Requests for higher fees are due to the FMC by April 15, 2016.

The Department is presently disbursing administrative fee funds monthly to each PHA. These disbursements are based on the most recent leasing data available, an estimated pro-ration, and one-twelfth of the available annual fee appropriation. PHAs should not assume that the fees actually earned for CY 2016 will match the funds disbursed each month. The Department will calculate each PHA's fee eligibility after the VMS data for each quarter is available. Each PHA's eligibility will be pro-rated if needed to ensure that fees granted do not exceed the appropriated funds available. If pro-rations are necessary, the same percentage will be applied to all PHAs. At the end of the CY, a final reconciliation will be completed, to account for any changes in VMS data and to establish a final proration level for the year. PHAs should be aware that the quarterly pro-ration factor is an estimated pro-ration factor; the final CY 2016 admin fee reconciliation will reflect a weighted pro-ration factor for the entire CY.

Based on the appropriated administrative fees in CY 2016, HUD is anticipating a national proration of 80%. Please note that HUD has already disbursed January, February and will disburse March 2016 administrative fees at 81%, because calculations were performed prior to the enactment of the Consolidated Appropriations Act, 2016. Therefore, your PHA can anticipate administrative fee disbursements starting in April 2016 at 80% proration.

Effective with the new billing requirements implemented through publication of the final portability rule, receiving PHAs must calculate the **lesser of** 80% of the initial PHA's column B administrative fee rate (then prorated to the national proration level) **or** 100% of their own column B administrative fee rate (then prorated to the national proration level). The PHA may use a national proration rate of 80% for CY 2016 billings. It is important to note that going forward, although the national proration level will change, the "lesser of"

calculation provided in the final portability rule will continue. Below is an example of the calculation, based on a Column B rate of \$60.59 for the initial PHA and \$42.05 for the receiving PHA:

PHA A (initial PHA)	Column B Rate x Proration x 0.8
	\$ 60.59 x 0.80 x 0.80 = \$38.78
PHA B (receiving PHA)	Column B Rate x Proration x 1
	\$ 42.05 x 0.8 x 1 = \$33.64
<i>Billed Administrative Fee = \$33.64.</i>	

These fee rates also apply to the Moderate Rehabilitation program and the Mainstream 5 Year program.

If you need further assistance with this narrative, please contact the Financial Management Division at PIH.Financial.Management.Division@hud.gov, or by phone at 202-708-2934.